

**65.7634 CMRS prepaid service charge.**

- (1) Beginning January 1, 2017, a CMRS prepaid service charge shall be imposed at a flat rate of ninety-three cents (\$0.93) on each retail transaction involving the purchase or sale of:
  - (a) Cellular phones preloaded with a set dollar amount for minutes or units of air time, or sold with rebates for air time;
  - (b) Calling cards for cellular phones preloaded with a set dollar amount for minutes of units or air time;
  - (c) The recharging of a reusable cellular phone calling card;
  - (d) The recharging of a cellular phone itself with additional minutes or units of air time; and
  - (e) Any prepaid wireless telecommunications service.
- (2) The CMRS prepaid service charge imposed by subsection (1) of this section shall be collected by the retailer from the purchaser at the time of purchase for each purchase sourced to this state as provided in KRS 139.105. The amount of the CMRS prepaid service charge shall be either separately stated on an invoice, receipt, or other similar document that is provided to the purchaser by the retailer, or otherwise disclosed to the purchaser.
- (3) The CMRS prepaid service charge shall be paid by the purchaser, and shall not constitute a liability of the retailer or of any prepaid wireless telecommunications service provider.
- (4) All amounts collected by the retailer shall be deemed to be held in trust by the retailer for and on account of the Commonwealth, shall constitute a debt of the retailer to the Commonwealth, and shall be remitted to the Department of Revenue as provided in KRS 142.100 to 142.135.
- (5) The CMRS prepaid service charge amount collected by a retailer from a purchaser shall not be included in the base for measuring any tax, fee, surcharge, or other charge that is imposed by the state, any political subdivision of the state, or any intergovernmental agency if the amount is separately stated on an invoice, receipt, or a similar document provided to the consumer by the retailer.

**Effective:** July 15, 2020

**History:** Amended 2020 Ky. Acts ch. 40, sec. 3, effective July 15, 2020. -- Created 2016 Ky. Acts ch. 111, sec. 15, effective January 1, 2017.